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BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of

1998 Biennial Regulatory Review -
Review of ARMIS Reporting Requirements

CC Docket No. 98-117

COMMENTS
of the
GENERAL SERVICES ADMINISTRATION

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August 20, 1998

No. of Copies rec'd 28
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The General Services Administration ("GSA") submits these Comments on behalf of the customer interests of all Federal Executive Agencies ("FEAs") in response to the Commission's Notice of Proposed Rulemaking ("NPRM") released on July 17, 1998. In the NPRM, the Commission seeks comments and replies on changes to the reporting requirements of its Automated Reporting Management Information System ("ARMIS"). This proceeding is pursuant to the mandate for a biennial review of the Commission's regulations in view of the current state of competition for telecommunications services.

I. INTRODUCTION

Pursuant to Section 201(a)(4) of the Federal Property and Administrative Services Act of 1949, as amended, 40 U.S.C. 481(a)(4), GSA is vested with the responsibility to represent the customer interests of the FEAs before Federal and state regulatory agencies. The FEAs require a wide array of interexchange and local telecommunications services.

From their perspective as end users, the FEAs have consistently supported the Commission's efforts to bring the benefits of competitive markets to consumers of all telecommunications services.

II. THE COMMISSION SHOULD MAKE ARMIS DATA AVAILABLE ON THE INTERNET.

As end users of interexchange and local exchange services in all states, the FEAs have found the information in the ARMIS reports to be invaluable in participating in proceedings before this Commission and state regulatory bodies. However, such reports are often inaccessible electronically. GSA concurs with the Commission's tentative conclusion to make ARMIS data available on the Internet.¹

While the Commission's electronic bulletin board ("BBS") contains ARMIS reports and other related materials for most common carriers, access time is limited and some data are not in user-friendly formats. Indeed, some of the data require specialized programs or readers for viewing.

The FCC's ARMIS reports are regularly obtained by GSA and used to prepare comments and testimony in formal proceedings. Because of the limitations of the Commission's BBS, these reports are often obtained from the Commission's document contractor, International Transcription Service ("ITS"). Access to ARMIS data on the Internet would greatly reduce GSA's costs and would enhance the ability of FEA telecommunications managers to plan for future demand.

¹ NPRM, para. 3.

The Commission states that the potential costs for providing this access could be substantial. However, the FEAs observe that the Commission already provides access to an increasing number of documents through its Internet web site, and that this infrastructure may be easily adapted to provide Internet access to ARMIS data as well. Therefore, GSA urges the Commission to make ARMIS reports available on the Internet.

III. THE COMMISSION SHOULD MAINTAIN THE CLASS A LEVEL OF DETAIL FOR THE LARGEST ILECS

The Commission proposes to streamline the ARMIS reporting requirements for incumbent local exchange carriers ("ILECs") having annual revenues of between \$112 million and \$7 billion.² These "mid-sized" ILECs would be allowed to report their data according to the less detailed Class B system of accounts instead of the more detailed Class A system of accounts. The Commission proposes to maintain the Class A (higher) level of detail for the ARMIS reporting of the large ILECs (those over \$7 billion in revenue).³ Under its proposal, the Commission would still be provided with Class A detailed data for nearly 90% of the local exchange industry, as measured by annual operating revenues.⁴

The Commission states that the more detailed level of reporting is necessary for it to uphold its statutory obligations to prevent cross-subsidization and discrimination.⁵ The Commission explains that this detail allows it to identify potential cost misallocations

² NPRM, para. 6-12.

³ Id., para. 13.

⁴ Id., para. 7.

⁵ Id., para. 13.

beyond those revealed by the Class B system of accounts.⁶ The Commission contends that the Class A level of detail is required to monitor the large ILECs as competition begins to develop in local telephony markets.⁷

GSA agrees with the Commission's analysis and conclusion. As a large user of ILEC telecommunications services, GSA believes stringent accounting safeguards must be maintained for the large ILECs as long as they retain significant market power in the local exchange and exchange access markets. The Commission has reported that the ILECs had a 99 percent share of local service revenues in 1996.⁸ Until competition develops to the point where it provides an adequate check on potential market power abuses, it is the Commission's responsibility to maintain stringent accounting safeguards to protect ratepayers.

A reduction of detailed reporting by the large ILECs would impair the Commission's ability to guard against improper cost allocations, to assess the impact of its policies on ILECs, and to monitor the development of competition in the telecommunications marketplace. The Commission should, therefore, maintain the Class A level of detail for the ARMIS reports of the large ILECs.

⁶ Id.

⁷ Id.

⁸ Trends in Telephone Service, February 1998, Table 8.1.

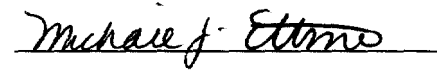
IV. CONCLUSION

As a major user of telecommunications services, GSA urges the Commission to adopt the recommendations discussed in these Comments.

Respectfully submitted,

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August 20, 1998

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